



MEMORANDUM

DATE: February 28, 2022
TO: Town Council
FROM: Mayor Larry Hushour
ISSUE: IMPACT FEES ADJUSTMENT

ATTACHMENTS: 1. (chart) Engineering Assessment of Capital Improvement Plan
2. Town's Capital Improvement Plan
3. (chart) Current/Suggested Impact fees
4. MAVFC Assessment of future Capital Requirements

Council,

The purpose of this memorandum is to propose updated connection and impact fees for future development in the Town. The Town's impact fees were last updated in 2007. The Staff recommends, in the future, impact fees should be reviewed on a more frequent basis, such as every three years.

Staff has worked to create a relevant method to evaluate and adjust the various current categories of the fees and added a Public Safety component as well. This Safety component reflects the capital expenditures related to the reliance on the Town's newly-formed police department, enforcement of the code as related to safety issues, and takes into account measures required by the State (such as body cameras), but financially absorbed by the Town, to assure a continued safe environment for Mount Airy. As well, the rented facility currently housing the department exceeds capacity at our current staffing level. The addition of required officers per our APFO will require the construction of a new Police Station.

The Staff has introduced a method to provide quantifiable justification for the fee values based on the existing capital inventory. By utilizing the existing inventory replacement costs for all capital assets in place today, taken from the Town's Capital Improvement Plan, and dividing by the total connections in Town, an estimated cost per connection is obtained per equivalent dwelling unit (EDU). This becomes the basis for the impacts of future development.

Note: Since the MAVFC impacts are more related to population than to physical Water and Sewer connections, it was determined these fees shall be calculated by projected MAVFC capital expenses divided by the suggested fee to determine how many EDUs would be required to justify an increase or reduction in their component of the overall impact fee.

The following breakdown is offered to show more specifically how each category was evaluated and how each fee adjustment was derived:

A. (Sewer) Sewer Connection, Expansion Charge, Sewer Improvements, Repairs, Acquisitions

The Town's Sewer fees for residential and commercial development are based on the Town's Capital Improvement Plan (CIP) estimated replacement costs. The CIP assesses replacement costs for all infrastructure assets of the Town and distributes an estimated cost to the number of connections of the Town.

Currently, the Town collectively assesses \$6,200 for these components, when in fact the calculated fee utilizing the CIP method is \$7,668. This results in a discrepancy of approximately \$1400.

The Staff recommends these components of the impact fee be elevated from \$6200 to \$7600 by adding:

- \$200 to the Sewer Connection fee
- \$200 to the Sewer Expansion Charge
- \$1000 to the Sewer Improvements, Repairs and Acquisitions

B. (Water) Water Connection, Well Exploration, Benefit Charge, Capital Improvements

The Town's Water fees for residential and commercial development are based on the Town's Capital Improvement Plan (CIP) estimated replacement costs. The CIP assesses replacement costs for all infrastructure assets of the Town and distributes an estimated cost to the number of connections of the Town.

Currently, the Town collectively assesses \$9,200 for these components, when in fact the calculated fee utilizing the CIP method is \$9,889. This results in a discrepancy of approximately \$600.

The Staff recommends these components of the impact fee be elevated from \$9,200 to \$9,800 by adding:

- \$200 to the Water Connection fee
- \$200 to the Well Exploration fee
- \$200 to the Water Benefit charge

C. (General) Park Improvements, Public Safety, Capital Improvements

The Town's General fees for residential and commercial development are based on the Town's Capital Improvement Plan (CIP) estimated replacement costs. The CIP assesses replacement costs for all infrastructure assets of the Town and distributes an estimated cost to the number of connections of the Town.

Currently, the Town collectively assesses \$1,500 for these components, when in fact the calculated fee utilizing the CIP method is \$6,492. This results in a discrepancy of approximately \$4,900.

The Staff recommends these components of the impact fee be elevated from \$1,500 to \$6,400 by adding:

- \$0 to the Parks Improvements
- \$1700 to the Public Safety fee
- \$3200 to the Capital Improvements fee

D. Mount Airy Volunteer Fire Company (MAVFC)

The Town currently charges a fee in association with the impacts resulting from development and absorbed by the Mount Airy Volunteer Fire Company. The component of the overall impact fees is disbursed to the MAVFC as collected by the Town. Currently the Town assesses \$1500 for this impact. The MAVFC has sent a letter justifying a \$200 increase in this fee based on the needs of additional capital equipment with a projected population growth of 2000 residents over the next 5 years. They have anticipated the following requirements with an additional 2000 residents:

- \$400,000 Additional Ambulance
- \$50,000 Equipment for Ambulance
- \$50,000 added Equipment for fire apparatus
- \$50,000 Station modifications
- \$1,000,000 Station Expansion for added vehicle
- \$1,550,000 (total)

By taking the \$1,550,000 and dividing by the newly recommended \$1700 assessed fee, it is shown that approximately 911 EDU's would need to be realized in order to offset the impact costs. This is well above the projection over the next five years.


The Staff feels the uncertainty of projected growth warrants some caution in this category, and therefore recommends a modest increase from \$1,500 to \$1,700 by adding:

- \$200 to the MAVFC Benefit charge

In summary, the total Impact Fee for the first EDU of a building is proposed to raise from \$18,400 to \$25,500. Each additional EDU charges in a building are proposed to raise from \$4,900 to \$8,900. It is the desire to have these fees applied to any future developments in the Town of Mount Airy.

Note: While water "meter fees" are not part of the Town's impact fees, they are indeed related. Attachment 3. adjusts the physical cost associated with the size of the meter. This "meter fee" is NOT part of the proposed \$25,500 Impact Fee.

Please let me know if you have any questions or want to make any modifications prior to the meeting so we can prepare any updates so this can get passed on March 7th at the Town Council Meeting.


Larry Hushour
Mayor

Town of Mount Airy
FY2022 Proposed Modifications to Water and Sewer Permit Fees

Note: The Town of Mount Airy Water and Sewer Fees for Residential and Commercial development is based on the Town's Capital Improvement Plan (CIP) estimated replacement costs. The CIP assesses replacement costs for all infrastructure assets of the Town and distributes an estimated cost to the number of connections of the Town.

	Current Inventory from Capital Improvement Plan	Number of Water/Sewer Connections	Calculated Fee per Connection	Proposed FY2022 Changes to Fee(s)
Water	\$35,345,000	3,574	\$9,889	Add \$200 to Water Connection Charge Add \$200 to Well Exploration/Development Fee Add \$200 to Water Benefit Charge
Sewer	\$27,404,000	3,574	\$7,668	Add \$200 to Sewer Connection Charge Add \$200 to Sewer Expansion Add \$1,000 to Additional Charge for Improvements, Repairs
General	\$23,202,650	3,574	\$6,492	Add \$3,200 to Additional Charge for Capital Improvements Add new \$1,700 Public Safety No change to Additional Charge for Park Improvements
MAVFC	(contribution currently at \$1,500)		<u>\$1,700</u>	Add \$200 to Additional Benefit Charge for MAVFC
Calculated Water/Sewer Permit Fee:			\$25,749	

Town of Mount Airy - Capital Improvement Plan
Last Update: February 11, 2022

Sewer

Sewer	Sewerage and Sanitation Fund	Funding or Equipment	Fence	Trucks (Cleaning & Collecting)	Pumps w/ VFDs (WFO & Boosters)	Pipe & Fittings & Misc Equip	Prestressed Concrete & Reinforced	Rotary Pesticide Dispersal Blowers	Ball Valve System	Sewer-Treat Bypass System	Germox Bypass System	NCCO, Grounds w/ Meter Switch	Sewer Systems	Total Asset Replacement (x \$1,000)	Total System Asset Costs (x \$1,000)	Category Asset Costs (x \$1,000)
WWTP - Screening & Grit Handling	450	50	0	20	0	20	0	20	0	20	0	20	0	20	20	60
WWTP - Aeration, Anoxic, Clar. Zones	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	13.77
WWTP - Clarification	450	50	0	20	0	20	0	20	0	20	0	20	0	20	20	60
WWTP - UV, Post Aeration, Effluent	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	31.08
WWTP - Sludge Dewatering	800	50	0	20	0	20	0	20	0	20	0	20	0	20	20	590
WWTP - Filtrate	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	61.93
WWTP - Control Room, Office, Lab	300	50	0	20	0	20	0	20	0	20	0	20	0	20	20	575
WWTP - Denitrification	500	50	0	20	0	20	0	20	0	20	0	20	0	20	20	1150
WWTP - Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38.00
Lift Station #1	250	50	15	20	0	15	50	20	0	10	0	20	0	20	20	475
Lift Station #2	250	50	15	20	0	15	50	20	0	10	0	20	0	20	20	475
Lift Station #3	250	50	15	20	0	15	50	20	0	10	0	20	0	20	20	475
Lift Station #4	250	50	15	20	0	15	50	20	0	10	0	20	0	20	20	475
Lift Station #5	250	50	15	20	0	15	50	20	0	10	0	20	0	20	20	475
Lift Station #6	250	50	15	20	0	15	50	20	0	10	0	20	0	20	20	475
Lift Station #7	250	50	15	20	0	15	50	20	0	10	0	20	0	20	20	475
Lift Station #8	250	50	15	20	0	15	50	20	0	10	0	20	0	20	20	475
Lift Station #9	250	50	15	20	0	15	50	20	0	10	0	20	0	20	20	475
Lift Station #10	250	50	15	20	0	15	50	20	0	10	0	20	0	20	20	475
Lift Station #11	250	50	15	20	0	15	50	20	0	10	0	20	0	20	20	475
Manholes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	53.33
Collection System Pipes (45 miles)	0	50	0	20	0	15	0	0	0	0	0	0	0	0	0	4000
Pickup Trucks	0	50	40	12	0	15	0	20	0	10	0	20	0	20	20	40
Utility Trucks	0	50	120	20	0	15	0	20	0	10	0	20	0	20	20	120
Camera Van	0	50	100	20	0	15	0	20	0	10	0	20	0	20	20	160
Total Asset Replacement Costs	5250	775	100	3100	640	12546	545	300	400	1000	500	1520	280	27404	67040	67040
Total =																1341.59

Last Update: February 11, 2022

Water

[illegible]

General

Town of Mount Airy Water and Sewer Permit Fees (Residential and Commercial)		
<i>Fee</i>	<i>Applied on or before TBD</i>	<i>Effective TBD</i>
<i>Sewer – Connection Charge</i>	\$1,700.00	\$1,900.00
<i>Sewer - Expansion</i>	\$2,500.00	\$2,700.00
<i>Water Connection Charge</i>	\$1,700.00	\$1,900.00
<i>Well Exploration/ Development Fee</i>	\$1,500.00	\$1,700.00
<i>Water Benefit Charge</i>	\$3,000.00	\$3,200.00
<i>Additional Benefit Charge for MAVFC</i>	\$1,500.00	\$1,700.00
<i>Additional Charge for Improvements Repairs and Acquisitions</i>	\$2,000.00	\$3,000.00
<i>Additional Charge for Capital Improvements</i>	\$3,000.00	\$6,200.00
<i>Additional Charge for Park Improvements</i>	\$1,500.00	\$1,500.00
<i>Additional Charge for Public Safety</i>		\$1,700.00
<i>TOTAL</i>	\$18,400.00 (includes 1 edu)	\$25,500.00 (includes 1 edu)
	\$4,900 (additional edu charge) i.e. tenant fit outs, multiple unit charges	\$8,900 (additional edu charge) i.e. tenant fit outs, multiple unit charges

Please Note that these charges are based on a 5/8 x 3/4 or 3/4 inch meter service.

If using:

One Inch..... \$ 400, in unimproved area, \$700, in improved area
 One-and one-half inch..... \$ 3,800, in unimproved area, \$4,100, in improved area
 Two-inch..... \$ 4,000, in unimproved area, \$4,300, in improved area
 Three-inch..... \$ 4,200, in unimproved area, \$4,500, in improved area
 Four-inch..... \$ 4,700, in unimproved area, \$5,200, in improved area
 Six-inch..... \$5,000 in unimproved area, \$5,500, in improved area plus the cost of material
 and labor in each instance.



MOUNT AIRY VOLUNTEER FIRE COMPANY, INC.
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BUSINESS PHONES
301-829-0100 • 301-831-7454 • 410-795-8055
FAX LINE
301-829-2353
EMERGENCY PHONE
911



The Mt. Airy Volunteer Fire Company (MAVFC) provides fire, rescue, and emergency medical services (EMS) within the corporate limits of the Town of Mount Airy. At the present time, apparatus and facilities are adequate for the delivery of these services. However, the projected increase of the town population by approximately 2000 residents over the next two to five years will impact the delivery of these services. This will be especially true if a portion of the projected population growth is senior housing. It is anticipated that such growth will necessitate the addition of EMS response capability with a direct impact on fleet configuration and fire station capacity to house additional vehicle(s) and required paid staff. Mixed-use construction as well as light industrial will increase the need for additional paid personnel to staff fire apparatus. No change in current fire-rescue fleet configuration is anticipated. However, increased costs for equipment replacement at a rate of 5-7% per year will need to be addressed.¹

Projected capital impact of anticipated population increase on MAVFC

• Additional ambulance	\$400,000
• Equipment for personnel to staff ambulance ²	\$50,000
• Equipment for personnel to staff fire apparatus ³	\$50,000
• Modification to station to accommodate additional staff	\$50,000
• Expansion of station to accommodate additional vehicle(s)	\$1,000,000

¹ Source: Fire apparatus manufacturers

² Two EMS providers/four shifts

³ Four firefighters/four shifts